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C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 000394

SIPDIS

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TAGS: [PREL](#) [ETRD](#) [PTER](#) [BG](#) [BM](#)

SUBJECT: BANGLADESH PRIME MINISTER LOOKS EASTWARD,

DISCOVERS BURMA

REF: HANOI 694

Classified By: COM Carmen Martinez. Reason 1.5 (d).

[¶](#)11. (C) Summary: Bangladesh Prime Minister Khaleda Zia's three day visit to Burma produced understandings on trade, transport connections, and refugees. Terrorism was not discussed, but, according to the Bangladeshi Defense Attaché, Bangladesh has continued with efforts to clean up its side of the border. End Summary.

[¶](#)12. (C) The visit of Bangladesh's Prime Minister Khaleda Zia went very well, according to Bangladesh's Defense Attaché, Brigadier Salim Akhtar. The visit was meant to reciprocate Than Shwe's December 2002 visit to Bangladesh and underline Bangladesh's new interest in relations with Burma and the other states of Southeast Asia. Begum Zia met with Than Shwe for about 90 minutes on March 20 and agreed on a number of key points, including:

-- A Road Connection between Dhaka and Rangoon: According to Brigadier Salim this will involve construction of a small bridge upstream on the Naaf River and a short stretch of road in Burma's Rakhine State. If all goes well, construction on the bridge and road will start this year.

-- Coastal Shipping: An MOU signed on March 20 will allow direct service between Chittagong and Rangoon. Until now, cargoes between the two states were shipped via Singapore,

-- Trade: A second MOU established a joint trade commission and a bilateral trading account. Both arrangements are intended to facilitate trade.

-- Refugees: Essentially, the two sides agreed to let the Rohingya Muslim refugee issue die. Burma recommitted itself to accepting back all refugees who could establish their credentials as genuine residents of Burma; Bangladesh made no commitments, but implicitly agreed to accommodate any refugees who could not or would not return to Burma.

Burmese Business Community Bullish on Bangladesh

[¶](#)13. (C) According to members of the Union of Myanmar Chamber of Commerce and Industry (UMCCI), the trade fair that accompanied PM Zia's visit may lead to better ties. Burma's exports to Bangladesh now largely consist of smuggled goods (mostly rice) or transhipped consumer products from China. While the business leaders don't believe improved trade ties will end smuggling, they do hope for some increase in legal trade (e.g.; agricultural and wood products from Burma in return for pharmaceuticals and cement from Bangladesh).

False Rumors

[¶](#)14. (C) According to Salim, the two sides did not discuss any plans for energy cooperation. U.S. companies in Bangladesh (meaning UNOCAL) had attempted to promote a pipeline from a prospective gas field off Burma's Rakhine State to Bangladesh and then onwards to India, but there has been no official backing for the proposal from either Burma or Bangladesh. Similarly, according to Salim and the UMCCI representatives, news stories of Burmese plans to lease rice cultivation land to Bangladeshi entrepreneurs appeared to reflect only the musings of Bangladeshi private sector interests. There had been no discussion at all of that possibility during the official talks.

Terrorism

[¶](#)15. (C) Salim also said that the two sides did not get into any serious discussion of terrorism along their common border. However, he said that the Burmese were aware of Bangladeshi efforts to clean up the area. Salim said that the Bangladeshi Army had run sweeps through the area in June 2002, December 2002, and February 2003. The target was gun-running by the Rohingya Solidarity Organization (RSO), which he said was funneling arms from Thailand to criminal gangs in Bangladesh. Salim noted that the RSO had only 150 to 200 men under arms and were more a nuisance than a serious threat to anyone. Nevertheless, the BDG was determined to deal with the problem and to bring it to an end by June 2003,

if possible.

Strategy

16. (C) Salim said that this new openness in relations with Burma was part of Bangladesh's own "Look Eastward" policy. Just as India had reopened relations with Burma out of an early 1990s fear of encirclement by China and its allies, so Bangladesh has taken the same step out of a similar fear of encirclement by India and its allies. According to Salim, there was also the lure of trade with Southeast Asia. For too long, he said, Bangladesh had focussed its foreign policy on India, China, and the West, without ever considering the opportunities in Southeast Asia. This visit, together with the exchange of visits between Begum Zia and Thailand's Prime Minister Thaksin in December 2002, were steps towards a broader and more balanced set of relations for Bangladesh.

Comment

17. (C) Bangladesh is the latest of the regional states to discover Burma. Like China, India, and Thailand before it, Bangladesh has evidently come to the conclusion that there is more to be gained from dealing with Burma than from shunning it. From the Burmese side, there's no arguing that the SPDC, increasingly isolated politically by the West, is having significant diplomatic success in improving its economic and political relations with neighbors and ASEAN partners. The visit of Prime Minister Zia, on the heels of a trip by Senior General Than Shwe to Vietnam, demonstrates that this diplomatic campaign, at first focused on the major players (India, China, and Thailand), is now expanding to countries with which Burma has not had historically strong ties. End Comment.

18. (SBU) This cable has been cleared with Embassy Dhaka.  
Martinez